

Message Text

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ACTION EB-11

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SUBJ: CIVAIR - CHARTER TALKS

REF: A) STATE 34866; B) STATE 7875 AND PREVIOUS; C) MADRID
1036 AND PREVIOUS

1. BEGIN SUMMARY: PASTOR INDICATED MORE GOS WILLING-
NESS TALK CHARTERS SUBSTANTIVELY THAN DID ON FEB 13.
NOTED GOS DESIRE GREATER SHARE CHARTER MARKET BETWEEN
SPAIN AND US. WEEK APRIL 1 ACCEPTABLE GOS. END
SUMMARY

2. CIVAIROFF HAD EXTENDED CONVERSATION WITH PASTOR
AS INSTRUCTED BY STATE 34866. EMPHASIZED NECESSITY OF
SERIOUS INTENTION TO COME TO WRITTEN UNDERSTANDING AND
REMINDED PASTOR OF USG PROBLEMS PRESENTED IN STATE
7875, AND CONVERSATION WHERE THIS PROBLEM PRESENTED TO
DIRGEN BY ECONCOUNS (MADRID 379). PASTOR NOTED US POINT
OF VIEW AND REPEATED NECESSITY OF MAINTAINING GOOD
RELATIONS WITH ECAC. HOWEVER, PUT MUCH LESS EMPHASIS
ON NECESSITY OF CHARACTERIZING THIS POSSIBLE SESSION AS
A "CONVERSATION" THAN HE DID ON FEB 13 (MADRID 1036).

INSTEAD PASTOR NOTED THAT THERE WOULD HAVE TO BE SOME
PROSPECT OF ACHIEVING SOME ADVANTAGES FOR SPAIN IN ORDER

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TO JUSTIFY HOLDING CONVERSATIONS WITH A VIEW TO A
WRITTEN UNDERSTANDING, BEFORE ECAC AND GOS.

3. AS TO INTERESTS SPAIN MIGHT HAVE, PASTOR SAID FUNDAMENTAL GOAL WAS GREATER SHARE OF CHARTER FLIGHT MARKET BETWEEN SPAIN AND US, POSSIBLY 20 PERCENT, A FIGURE OFTEN CITED IN PREVIOUS DISCUSSIONS. (STATE 40682, MARCH 6, 1973, PARA 3.) WHEN REMINDED THAT DISCUSSIONS NOT REALLY NEEDED IF THEIR OUTCOME A FOREGONE CONCLUSION, HE READILY ACKNOWLEDGED THE POINT, MERELY RESTATING SPAIN'S GOAL OF ACHIEVING A BETTER SHARE OF THAT MARKET.

4. PASTOR THEN WENT ON TO REPEAT SPANISH ARGUMENT THAT UPLIFT RATIO HAD PREVENTED ACHIEVING THAT SHARE. CIVAIROFF NOTED THAT THIS POLICY APPLIED INDISCRIMINATELY SINCE 1963 FOR BALANCE OF PAYMENTS REASONS AND CAN BE MODIFIED ONLY BY AN INTERNATIONAL UNDERSTANDING, USING STATE 170066 OF AUGUST 27, 1973. FURTHER TO THE UPLIFT RATIO, PASTOR NOTED HE HAD BEEN GIVEN IMPRESSION WHEN IN WASHINGTON LAST JUNE (STATE 121333 OF JUNE 21, 1973) THAT THERE WOULD BE NO ACCOUNTING UNDER ITS PROVISIONS UNTIL THE END OF 1974. CIVAIROFF NOTED THAT HE ALSO HAD BEEN GIVEN THAT IMPRESSION AND EXPRESSED HOPE FOR RECIPROCAL TREATMENT BY GOS. CONTINUED NOTING THAT HOLIDAIRES/SPANTAX FLIGHTS, WHICH GOS HAD CHARACTERIZED AS TEST CASE OF USG SINCERITY (MADRID 2440 OF MAY 4, 1973) HAD BEEN ALLOWED TO PROCEED. (FYI: SPANTAX-HOLIDAIRES BREAKUP BEING REPORTED SEPARATE MESSAGE. END FYI.) CONCLUDED THAT EVEN WITH A "CEASE FIRE" UNTIL END OF YEAR NOT TOO EARLY TO WORK ON AGREEMENT.

5. CONVERSATION THEN TURNED TO COMPONENTS OF GOS INVOLVED IN AVIATION POLICY, NAMELY FOREIGN AND AIR MINISTRIES, INI, GOS HOLDING COMPANY WHICH HAS LARGE PARTICIPATION IN SPANISH CARRIERS; AND MINISTRY OF INFORMATION AND TOURISM. PASTOR NOTED THAT LAST NAMED MINISTRY NOW GIVING HIGHER PRIORITY TO REVENUES THAN NUMBER OF TOURISTS. HENCE A DECREASE IN NUMBER OF TOURISTS ATTENDANT ON A REDUCTION OF CHARTER FLIGHTS WAS ACCEPTABLE. CIVAIROFF INDICATED SOME CHARTERS, AT LEAST, LIMITED OFFICIAL USE
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NOTABLY INCENTIVE PROGRAMS OF LARGE CORPORATIONS, MIGHT WELL BE BRINGING IN TOURISTS WHO ARE FAR BETTER OFF THAN THE AVERAGE.

6. PASTOR CONCLUDED THAT IF THERE WAS A POSSIBILITY OF REACHING AN AGREEMENT GIVING SPAIN A BETTER SHARE OF THE SPAIN-US CHARTER MARKET, THE GOS WOULD BE WILLING TO DISCUSS CHARTERS WITH A VIEW TO REACHING A WRITTEN UNDERSTANDING ON THE MATTER. SHOULD THE USG BE ABLE TO PARTICIPATE IN THESE DISCUSSIONS, THE WEEK

OF APRIL 1 WOULD BE SATISFACTORY TO THE GOS. IN ALL
LIKELIHOOD GOS DELEGATION WOULD CONSIST OF DECARA AND
ARBELOA FROM AIR MINISTRY, PASTOR, AND AN AS YET
UNNAMED REPRESENTATIVE FROM INI.
RIVERO

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